CHINA WEEKLY

REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

The Blockade:

How It Affects US Trade

WHAT ARE CHINA'S CATHOLICS TO DO?

SHANGHAI DELEGATES' REACTION TO PPCC

EDITORIALS:

AN EDUCATED CITIZENRY

US TRADE BAN HITS CHINA

NOVEMBER 19, 1949 **JMP 1,500**

上海中正東路一六〇號密勒氏評論報發行

THE CHINA WEEKLY REVIEW

J. B. Powell
(Editor & Publisher, 1918-1947)

John W. Powell, *Editor & Publisher*
Fang Fu-an, *Financial Editor*

Assistant Editors

Mary Barrett
Rose Yardumian
Alun Falconer
Kiang Chun-chang

Contributing Editors

Yang Chen-fang
William Berges
Lin Wo-chiang
Charles J. Canning
C. Y. W. Meng
Edward Rohrbough
Shen Chien-tu
Chiang Pi-hou
Joseph I. C. Luan
Duncan C. Lee

Correspondents

Jefferson Cath — *Canton*
Van Shih-ching — *Chengchow*
Tong Chun-cho — *Chengtu*
Chen Fu-sheng — *Foochow*
Mark M. Lu — *Nanking*
Galahad Wood — *Kunming*
Lauw Thian-hok — *Batavia*
Jacques Decaux — *Paris*
S. E. Shifrin — *Seattle*
Ngiam Tong Fatt — *Singapare*
Hugh Deane — *Tokyo*

F. K. Chao, *Business Manager*, Chen Pang-cheng, *Circulation Manager*

Index for November 19, 1949

Editorial Paragraphs

US Trade Ban Hits China 180
An Educated Citizenry 182

Special Articles

Shanghai Delegates To PPCC ..... *Sheila Watson* 183
What Are China's Catholics To Do? ..... *T. H. L.* 184

Features

The March Of The Volunteers 186

Economic Section

Blockade Hurts US Trade ..... *Kathleen Cronin* 187
The Week's Business 188

Departments

Letters From The People 179
25 Years Ago 182
News Of The Week 189
Chinese Magazines Say 191
Chinese Papers Say 192
The Review's English Lesson CVI ..... Back Cover

Subscription Rates

	3 months	*6 months*
Shanghai and China Outports (ordinary mail delivery)	JMP 18,000	JMP 36,000
Hongkong (ordinary mail delivery)	JMP 22,000	JMP 44,000
	6 months	*1 year*
U.S.A. and other Foreign Countries	US$5.00	US$9.00

Price per copy: JMP 1,500

STUDENT RATES

	3 months
Shanghai and China Outports (ordinary mail delivery)	JMP 15,000

(All subscriptions must be authenticated by the individual student's school and must be sent directly to the offices of the China Weekly Review.)

All mail rates are subject to change in accordance with postal changes.
Cable Address: "Reviewing" Shanghai Telephone: 14772

Published at 160 Chung Cheng Road (Eastern), Shanghai (0), China, by Millard Publishing Company, Incorporated under the Laws of the State of Delaware, U.S.A. Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China. Printed by the Millington Limited, 117 Hongkong Road, Shanghai, China.

Contents of previous issues of the China Weekly Review may be found in the "International Index of Periodicals," copies of which are on file in most standard libraries.

All editorials, text and other material in the weekly issues of the China Weekly Review are copyrighted.

LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

NEW EDUCATION

To The Editor:

We have been studying here for half a year, in which time we have studied politics and developed a severe system of self-criticism. Now we know what we did wrong in the old days and how we can improve ourselves in order to serve the people in the future.

At present we eagerly study medical knowledge and pharmacology. In spite of difficult circumstances due to the present blockade enforced by the reactionary clique, the authorities of the college are endeavoring to increase the school's equipment and improve the conditions here. We are aware that the college aims at cultivating a great number of medicos and pharmaceutists and that it is our duty to give it full support. We can always make suggestions on new reforms and improvements. Above all, the methods of teaching are aimed at a thorough understanding on the part of the students, and the professors like to hear our opinions and often correct their ways of teaching at our suggestion.

We are happy in helping each other. We think that to do so is an obligation. If one is selfish and works without helping others, he will be the object of severe criticism, because our common aim is not to serve just ourselves but all the people. On the other hand, those who are earnest in assisting others are praised highly. Every class is divided into many mutual help groups consisting of four students, in which we all display the spirit of cooperation.

We keep in mind the slogan, "While studying, never forget to produce," so we spend our leisure time turning the wasteland into vegetable gardens. After supper, we are busy plowing and watering the land. It puts us in high spirits to see the green vegetables gradually grow, and in this way we come to understand that labor can really build up the world and production strengthens in us the idea of the value of labor. Thus we are cured of the petty bourgeoisie way of thinking which despises labor and only lives by depriving others of their production.

On Sundays we wash our clothes, blankets and clean our shoes. Such days give us a good chance to review what we have studied the previous week. None of us yearn to play in the city.

We are dressed in the uniform of the PLA. We are able to learn in the classroom, practice in the laboratory, play on the playground, cook in the kitchen, plow in the fields and work in the hospital—all of which are the essentials of our education and life in days to come.

TUAN MIN-CHUANG
The People's Medical College
Kiangwan, Shanghai
November 4, 1949

WARRING STATES

To The Editor:

In Tsan-kuo's time (the Warring States 1,000-2,000 BC), there was an

(Continued on page 192)

THE CHINA WEEKLY REVIEW
密勒氏評論報
A Weekly Newspaper Established in 1917

The editorial pages present each week the opinions of the editor. The other pages of The China Weekly Review are written by the other members of the staff and the contributing editors who report and interpret the news irrespective of the views expressed in the editorials.

Vol. 115 Shanghai, Saturday, November 19, 1949 No. 12

US TRADE BAN HITS CHINA

THE US Government, according to press dispatches reaching here last week, has clamped a ban on shipments of "strategic" materials to China. From now on, the type of industrial equipment, as well as many other kinds of goods and machines which this country can purchase in America will be severely limited.

The real meaning of this action is that the United States Government has finally made up its mind about the new China. The cold war has been extended to include this country.

The policy of requiring licenses for the export of certain types of manufactured goods and raw materials was first inaugurated on a large scale during World War II. Merchants desiring to export goods to countries which were considered unfriendly had to obtain an export license for each shipment.

By this method, the American Government was able to deny unfriendly countries access to all sorts of materials. This was a weapon of war. Some observers believe that the close control of American (and British) shipments to Spain may have been instrumental in keeping that country from entering the war on the side of the Axis.

Shortly after the beginning of the "cold war," America's top planners decided to revive this economic weapon. It has been enforced against Russia and most of the Eastern European countries for the past couple of years.

The excuse for this action is that the United States feels that the Soviet Union and other powers subscribing to the socialist philosophy constitute a threat to world peace and therefore the US, as the world's most advanced nation in industrial and technical matters, should not, in its own interests, contribute to the war potential of these "hostile" powers by letting them have free access to American products.

The reason is linked with the word "war" because it is always easier to justify one's own actions if one can claim to be "against" such a universally condemned thing as war.

However, that is not the whole story by any means. While the leaders of the US may well desire to do what they can to reduce the war potential of countries with whom they visualize possible future conflict, these same leaders are unalterably opposed to socialism as represented by the Soviet Union. Therefore, they are quite willing to do whatever they can to hinder the development of any country setting out on a socialist path.

They realize that there are two main systems of social organization in use today, socialism and capitalism. As the leaders of the world's foremost capitalist state, they see socialism as a threat to the capitalist system. If socialism continues to make progress throughout the world, the position of the US and the remaining capitalist countries will be weaker insofar as world power is concerned. Thus, they desire to see socialism impeded and, if possible, destroyed.

In Russia socialism has become established and nothing short of losing a war with America can conceivably upset the system. However, in Eastern Europe—and now China—governments dedicated to socialism have only recently come to power and the struggle to make the system work is still great. These countries, devastated by war, are facing extreme difficulties in carrying out their post-war reconstruction programs. If the United States can create so many difficulties for these countries that their governments fall and new regimes, more sympathetic to America's capitalist system, come to power, a heavy blow will have been struck against the idea of socialism.

Traditionally the countries of Eastern Europe, as well as China, have been largely agricultural and have depended upon the more economically advanced countries for their requirements of industrial goods. By denying these countries manufactured goods, as well as capital equipment, the US hits them in a weak spot. Without doubt their programs for reconstruction and industrialization will be slowed down.

This, then, is the real purpose of the export license system imposed by Washington. This is power politics.

A glance at some of the items on the banned list is sufficient to indicate just how all inclusive is Truman's idea of what constitutes materials having a "war potential." While the list is revised from time to time and while exceptions are occasionally made, here are some of the things banned from shipment to Russia, Eastern Europe and China: industrial lubricating oils, electrical generators, transmission and distribution apparatus, large electrical motors, mining and quarry machinery, oil well drilling equipment, oil refining equipment, and automobile spare parts.

Added to this, of course, are military supplies, such as weapons of all sorts, airplanes, airplane engines, certain chemicals, minerals and metals and so on.

When the list was first set up, it was much longer and more inclusive than today. At that time Truman and his aides apparently had the idea of enforcing a complete blockade upon

Russia and Eastern Europe. Such things as clothing and food were on the banned list.

The wisdom of such a policy is indeed questionable. While it has undoubtedly hurt the socialist countries, its effects have not been particularly beneficial to the economies of America and her capitalist allies.

On April 22 the *Associated Press*' Daniel De Luce, writing from Paris, said: "American economic warfare against Soviet-dominated Eastern Europe is hurting economic recovery on both sides of the iron curtain. But United States officials insist that this is an unavoidable price which Western Europe must share in return for enhanced security from Russian military aggression.

"The adverse effects on Western Europe from the American-directed campaign are difficult as yet to judge. But the net result is to block indefinitely a revival of Europe's historic pattern of trade: the exchange of Western manufactures for Eastern raw materials."

The embargo, it should be noted, does not involve only the United States, but similar action is required by America of her allies and friends, especially those receiving Marshall Plan aid. Continuing, De Luce said: "Men who enforce the secret list (some banned items are kept secret) admit that 'the defining line is hazy at times.' Such a staunch ally as Britain, an old master at economic warfare, has argued about certain items tabooed by Americans. The Swedes, the Dutch, and French and the Swiss have opinions of their own, too."

While De Luce in April believed that it was "as yet" difficult to judge the extent of the harm the embargo was doing to Western European countries, this harm apparently became rather obvious in the United States a couple of months later as the unemployment roles began to grow by leaps and bounds.

On June 1 the *Shanghai Evening Post*, quoting the *New York Times*, announced that the American Government had removed 500 items from the control list and that these items could now be exported freely to any country in the world. The decontrolled items included canned meat, grains, dried vegetables, vegetable seeds, various types of lumber, bricks and tiles, enameled bathtubs and other types of plumbing fixtures, certain types of wearing apparel and household goods. In addition a few types of tools and machines were included, such as electric refrigerators, washing machines, carpenter's tools and many types of farm machines.

"In some quarters," the *Times* said, "it was seen as part of administration tactics to check the business recession here (America). . . ." Just eight days later, *Reuter* reported from Washington that "Unemployment in the United States jumped 273,000 in May to a new post-war peak of 3,289,000, the Census Bureau reported." The following day *AP* reported, also from Washington, that US exports to the world were continuing to decline. Total exports in 1948 fell to US$16,800,000,000 as compared with US$19,700,000,000 during the previous year. Thus, in the first full year during which the export ban was in effect US sales to the world dropped by US$2,900,000,000, or nearly 15 percent from the previous year's level. What this means in terms of reduced sales and increased unemployment in America can easily be imagined.

Another indication that this embargo is a two-edged weapon came on September 25 when the *North-China Daily News*, quoting a press dispatch from Washington, reported that the United States had reversed its previous policy regarding oil drilling machinery, at least to the extent of granting a license for a shipment of US$500,000 worth of this equipment to the Soviet Union.

The story went on to point out that since the embargo went into effect the United States had found it impossible to obtain a number of vitally needed materials from the Soviet Union. Now, however, it was revealed that since the oil equipment license had been granted, the Soviet Union was shipping 40,000 tons of manganese and chrome ore to America.

That the policy causes some contradictions in American foreign policy was evidenced by a *Reuter* dispatch from the world trade conference at Annecy, France, on July 5 which reported: "The United States intends to propose new international action to combat the widespread application of import restrictions and seek solution of the disequilibrium in international trade."

Thus, we have the interesting spectacle of the American Government, with one hand placing an embargo on world trade, except in cases—such as the oil drilling equipment versus the manganese and chrome ore—where the policy pinches, while with the other dispatching delegates to international meetings called for the purpose of removing artificial barriers to world trade!

The Truman administration's policy toward China, regardless of whether there is early recognition, appears to be developing into one of hostility. It undoubtedly will be said that China has been placed on the export embargo list because she has a "red" government or because she has fallen under "the yoke of a foreign master." It may even be said that Washington is not hostile to the Chinese people, however much the Chinese Government may be disliked. However, the fact remains that the Chinese people are to be penalized because they have chosen a form of government which the American Government disapproves of.

While it is unfortunately true that this policy will produce some hardships and difficulties here, it is most unlikely that the Chinese people will be unable to overcome them. From what we have seen so far, there is every reason to believe that lack of certain industrial machinery from America will not prove an insurmountable handicap.

However, the main result, we believe, will be to widen further the breach between the American and Chinese people. The American Government is avowedly trying to win friends throughout the world, but, so far as we can tell, it is doing just the opposite.

AN EDUCATED CITIZENRY

ONE of the greatest achievements of the new regime in the older liberated areas has been the launching of practical campaigns to wipe out illiteracy and to raise the educational level of the mass of the people.

It is worth noting that the KMT also claimed as one of its goals the wiping out of illiteracy among the peasants and workers, but that in more than a quarter of century little if any progress was made.

There were, of course, many reasons for this failure to implement a really effective literacy program. Partially it was because the KMT was more adept at drawing up paper plans for programs than it was at really getting down to work. Also, and probably of equal importance, was the fact that the KMT basically could not afford to promote literacy among the masses. It would have been too dangerous. An enlightened and articulate citizenry would have been more difficult to exploit and suppress than an illiterate one. Farmers who can read and write can keep accounts and are thus not so easily cheated by landlords and tax officials.

As long ago as the early Yenan days, the Chinese Communists made political capital out of their mass literacy program. Not only did the Communists bring land reform, but they also brought education, resulting in political and social consciousness. The fact that the new regime can "afford" to support a program which puts such a powerful weapon as literacy in the hands of the masses is in itself significant, and goes a long way toward answering those supporters of the old regime who charge that the new government is not democratic and that it desires to oppress the people.

While most people are aware of the "little teachers" movement, wall newspapers, reading classes, night schools, and the various other methods used to eradicate illiteracy and to raise the general educational level of the people, the *New China News Agency* this week revealed some very interesting figures showing the results of the literacy campaign in Dairen.

In this city, nearly 200,000 people, or 70 percent of the population, have attained a certain degree of literacy during the first half of this year. Visitors to the city, the story said, were often surprised to find the streets relatively empty in the evening. This was because nearly everyone attended school for one or two hours every evening. Each block had its night school, both for those learning to read and write and also for workers desiring to improve their technical knowledge. In fact, the whole city went to school each night.

The magnitude of this accomplishment is put in its proper perspective when one realizes that probably less than 200,000 illiterates (among the masses) learned to read and write throughout the whole country during the entire reign of the Kuomintang.

25 Years Ago In *The China Weekly Review*

New Political Line-Up

November 15, 1924.

Since October 25, the government of China, or at least the capital city of Peking has been under the military control of General Feng Yu-hsiang, popularly known as the "Christian General." He obtained control through a coup d'etat which completely upset the plans of the so-called Chihli Party, of which he had been a nominal member, and which had been for several years in control of the central government of the Republic. Although the press has covered the ground pretty thoroughly it is of interest in connection with a consideration of the general situation which has developed, to review briefly the political-military situation in China for a few days and weeks prior to General Feng's sensational move. The internal war in China this fall had its beginnings on September 3 or about 10 weeks ago when Marshal Chi Hsien-yuan, military governor of Kiangsu province, attacked General Lu Yung-hsiang, tuchun of Chekiang province, the incentive being the desire of the Kiangsu governor to recover the city of Shanghai and surrounding territory from the control of Chekiang where it had rested for about six years. The war which began as a local contest soon spread to north China, the reason being that General Chi was a member of the Chihli party and General Lu a member of the Fengtien-Anfu party. In other words the war at Shanghai although considered at first a local contest amounted in real to a reopening of the old rivalry between Chihli and Mukden, or to reduce it to personalities, between Marshal Wu Pei-fu and Marshal Chang Tso-lin.

Wood Oil Market

Practically all of the annual export of China's wood oil is gathered and exported from Hankow. This is apparent from the fact that Hankow, by reason of her geographical position is the throat of the bottle for the wood oil producing districts in the interior. Wood oil is produced in enormous quantity in the province of Szechuen. Hunan province is a promising second in the production, while Shensi province ranks third and is the last province that yields any notable quantity of the oil. The oil from Szechuen formerly came down the Yangtze Valley by junks, but is now transported by steamers to Hankow and Hunan which provinces also send their produce down river by steamers. The Shensi oil is sent to Hankow by a overland route, and reaches Hankow through the Han river.

From: "The Wood Oil Market in China" by Peter S. Jowe.

10 Years Ago In *The China Weekly Review*

Japanese Against Overcoats

November 18, 1939.

Imposing yet another hardship on the war-harrassed population, an anti-cane-carrying, overcoat and hat-wearing compaign was launched in Tokyo on November 11, according to the Miyako Shimbun. The sponsor of the movement to compel Tokyo residents to shiver this winter is the Anti-Overcoat Wearing Society, which, according to the paper, believes that the people of Japan should show their respect in the way indicated for hardships suffered by Japanese soldiers on the China fronts. The Society, it is stated, will station authority-armed posts on the streets of Tokyo to urge the people to discard their overcoats, hats and canes.

Britain And France Withdraw Troops

Great Britain and France "for reasons of military convenience arising from the conflict in Europe" have decided to withdraw the majority of their troops from North China (Tientsin), it was announced at the beginning of this week. The decision was conveyed to the Japanese Foreign Minister, Admiral Kichasaburo Nomura, by the British and French ambassadors in Tokyo, on Monday. Other Powers maintaining garrisons in China under the Boxer Protocol of 1901 have been similarly notified, according to an announcement by the War Office in London.

Shanghai Delegates To PPCC

Review historic Peking meeting, see "repeated consultation" method as improvement upon formalized parliamentary procedure.

DELEGATES returning to Shanghai from the Chinese People's Political Consultative Conference in Peking say the keynote of the new China was contained in Mao Tze-tung's opening address, when he said: "The Chinese people are now standing on their feet."

To those assembled in the meeting hall in the old Imperial Palace where the very surroundings were a reminder of history, this was one way of saying that foreign intervention in China's affairs was over. The victory over Chiang Kai-shek spelled the end of a government so weak that it had to rely on outside assistance and the beginning of a new era of self-respect.

It was impossible to listen to these several delegates without gathering the feeling they had that a new China is really born, that it is an actuality which they experienced. "When the new flag of China was unfurled on the platform," one said, "many of us wept."

A picture of the late and revered Dr. Sun Yat-sen hung in the halls beside that of Mao Tze-tung in tribute to the man who had founded the Kuomintang Party and headed the first united revolutionary front. But the front represented at the Conference had an even broader base.

"You had to be in the meeting hall watching the 600-odd delegates to see what the united front means," one delegate reported. "There weren't only the eminent and educated people you would expect to see. There were old country women who couldn't read or write but who could tell the entire assembly what the revolution meant to them. There were Shanghai bankers and Shantung peasants, students and labor heroes, opera singers and delegates from the remote border provinces who brought gifts of their native cloaks and headwear."

The roster of delegates ran the gamut from well known Communist, Democratic League and KMT Revolutionary Committee leaders to obscure workers from the Kiangnan Dockyards and Shanghai textile mills. The age group spread from 21 to 94 (as one delegate said, "It was like four generations sitting in one hall.") But everyone there was chosen on the same qualifications: They must have made some contribution to the democratic movement in China.

Even such a former KMT general as Fu Tso-yi was there, his contribution being that he had turned Peking over peacefully to the liberating forces and encouraged other Nationalist generals to do likewise. What he told the delegates was, in effect: "I am a war criminal and should be punished. But I have changed because I know this is the right thing to do."

The united front was embodied in the Common Platform of the PPCC, the document that sets forth the policies of the People's Government for the next three years until the PPCC meets again. The Common Platform is noteworthy for its limited goals—it represents not the maximum but the minimum program, only those things that seem possible of attainment within the next three years.

One delegate explained "Some people wanted to include welfare provisions in the Platform, but it was felt that we would not be able to institute any widespread welfare activities during this initial period. Neither could we promise to wipe out illiteracy. We could only state that mass education would be promoted. The Common Platform is not an uncashable check —every word in it can be fulfilled.

"In the same way the Platform suits the speed of all members of the united front. At first some delegates were impatient and wanted to mention China's going forward into socialism. Then it was pointed out that we were not yet ready for socialism and that to include it among our immediate goals would only confuse matters. Another suggestion was that we accept dialectical materialism as a doctrine. This, too, was rejected on the grounds that too many people, such as the Christians, could not go along with this. These are a few examples of how the Platform was worked out and why, when everyone voted for it, they did so because they understood it and knew it was a good thing."

Consultative Method

The method used in formulating the Common Platform was one of repeated consultation rather than formalized parliamentary procedure. First the draft Platform, which had been drawn up by the preparatory committee, was distributed to the delegates, and Chou En-lai, who later was elected premier, gave a four hour report explaining its provisions. Then the delegates discussed it in meetings of their own small groups, making suggestions and changes and referring these to the conference steering committee. (The delegates consisted of several different categories. There were representatives of the various political parties, regional areas, divisions of the People's Liberation Army, and people's organizations such as labor, women's, student's, trade and professional associations, national minorities and Overseas Chinese, in addition to a number of specially invited persons who belonged to no group. Questions such as the Common Platform were discussed exhaustively in each of these respective groups, numbering from 10 to 20 persons.)

Discussion Unrestricted

Discussion in these small groups was unrestricted and informal, and brought forth many ideas which found their way into the finished product. One woman delegate, for example, who had had some experience with the Chinese Industrial Cooperative movement, objected to the Platform's statement that handicraft cooperatives should be promoted. She maintained that industrial cooperatives were of equal importance. Although she voiced a minority opinion within her group, her suggestion was duly recorded and was adopted in the final draft of the Platform.

The steering committee incorporated the ideas thus obtained in a revised draft and this was again distributed and reported on at a general conference meeting. The Conference then broke up into discussion groups again, this time into larger groups of about 40 persons, to go over the new draft. This process was repeated until seven printed drafts had been made and the Platform was finally adopted unanimously by the general assembly.

The same process of consultation was used in the election of the Central People's Government Council, the highest organ of the government, whose chairman is Mao Tze-tung. The various parties and organizations first made nominations to the United Front Department of the Communist Party, which then drew up a nomination list. This list was submitted to the various groups for study and review. After two such reviews, the list went to the presidium for final revision, and the ballot was printed. The election was then held by secret ballot. Although there was but one slate of candidates, that slate had been chosen by means of the consultations described above. In addition, each voter was free to substitute names of his own for those appearing on the ballot. A majority of the votes cast was required for election.

One delegate said a question frequently asked him, especially by foreigners, was about the role of the Communist Party in the new government. Friends had warned him, he said, that the Communists have great skill in gaining the support of people like him and then, once they have gained the support, will take away all freedom.

"My only answer," he explained, "is that the leadership of the Communist Party is voluntarily and heartily accepted by the people, who realize that China could not have won this victory were it not for the Communists. The Communists won because they were strong, and they are strong because they have the support of the people.

"Why do the people support the Communist Party?" he continued. "Because it is working for their welfare. That is why all of us non-Communists accept Communist Party leadership. And if the strength of the Communists is built on the support of the people, then the logical conclusion is that the Communists are not afraid of the people. If they are not afraid of the people, why should they take away their freedom?"

The enthusiasm of the people, the delegates said, was most clearly shown during the October first celebration, when 300,000 people jammed Peking's Tien An Square to hail the establishment of the new Republic. For hours the people shouted "Mao Tzu Chi wan sui!" (Long live Chairman Mao), and Mao Tze-tung shouted back "'Jen Min wan sui!" (Long live the people).

As the cannons saluted the formation of the Republic, a frightened dog ran about the square trying to find a way out. It finally dashed westward. An observer remarked: "There goes Chiang Kai-shek!"

—SHEILA WATSON

What Are China's Catholics To Do?

Professor with long experience in Christian education fears Vatican misinterprets political developments, thereby causing confusion among Chinese believers.

AT the time of the liberation we saw the "8-Point Proclamation" of the People's Liberation Army and also learned of the contents of "New Democracy." We found that the People's Government pursues a policy of freedom of religion and that religious bodies were even being invited to participate in the organization of the coalition government.

In these circumstances it should have behooved members of the Catholic faith to express gratitude over the liberal and enlightened policy of the Chinese Communist Party, and to discard their former doubts and anxieties which had been fed by rumors and deceptive propaganda.

There should have been no more vacillation and the Chinese Catholics should have applied themselves wholeheartedly to the task of cooperating in the building of a new China.

However, we soon heard rumors of an order from the Vatican, a report subsequently confirmed by our priests and from press dispatches, to the effect that Catholics joining the Communist Party or supporting communism are to be excommunicated.

Later "Interpretation"

(Subsequent press reports from Rome stated that the Vatican later "interpreted" its order to mean that voting for communist candidates would not mean automatic expulsion from the Church. However, this interpretation has not been clarified, while it is known that in Italy, where the Catholic Church is firmly entrenched, priests have participated in election campaigns, urging Church members not to vote for the communists.)

This development cannot but cause anxiety and uncertainty to members of the Catholic faith in China. A study of this Papal order can only lead to doubts, which the Church should lose no time in clearing up by issuing a further statement of explanation, saying just exactly how the original order is to be interpreted. Meanwhile, I wish to set forth some of the doubts which have arisen in my mind after reviewing the situation. I hope that some of my fellow Catholics will give me their opinions.

* * *

Pope's Main Concern

THE Pope lives in his closely-guarded palace in the Vatican, and is traditionally concerned only with the religious beliefs of the faithful, never interfering with the domestic politics of any nation. Much less, therefore, should he intervene in the problem of national self-determination, particularly the efforts of the weaker peoples to come into their own, to achieve liberation from the oppression of imperialism.

The new democracy advocated by the Communist Party in China today aims at the overthrow of imperialist aggression and oppression and the system of social exploitation. This is purely a matter for national self-determination, a political issue concerning the people of the country concerned.

We Catholics who live in the liberated areas of China are pursuing our life in a normal way, the bells of our churches continue to toll, and we continue to assemble freely for prayer. Our new democracy has not banned religious worship, whereas the Vatican has adopted a hostile attitude toward our country. How can the Pope, who is supposed to be above temporal issues, justify such action?

All Are Equal

According to our theological doctrines, all souls are equal before God. And new democracy, as well as communism, works for the realization of real equality among classes through the wiping out of the exploitative feudal social system. Is this not in keeping with the doctrine of equality preached in our religion? With the equality of souls supplemented by equality in real living conditions, will not the world be a better place? It is difficult to see why a social system of equality should come into conflict with the doctrine of the equality of souls.

Nevertheless, the Church now places restrictions in the way of Catholics participating in the work of the Communist Party and also in the way of individual support of communist policies. Irrespective of whether the policies pursued by the communists are correct, Chinese Catholics must adopt an attitude of hostility to the Communist Party, under threat of excommunication. Does this mean that Catholics who are members of a weak people must be subjected perpetually to imperialist oppression and debarred from the right of national self-determination?

Some hold that the materialism of communism it utterly opposed to the spiritualism of religion. The Vatican, it is said, thus considers communism an orgy, a heresy, and bans Catholics from participating in the Communist Party or supporting communist policies.

It is true, of course, that the philosophy of materialism is opposed to the philosophy of spiritualism, but these opposing arguments must be decided by the progress of history.

Speaking realistically, however, how many among us Catholics have a full understanding of either spiritualism or materialism? Instead of encouraging us to study the two doctrines so as to compare them, the Vatican has now issued a ban against the study of materialism. Is such a course consistent with the ethical principles of the Church? Does it not savor of a policy of sustaining the people's ignorance?

Positive Steps Needed

The Church is against war. The Pope has prayed for peace, and in other ways appealed for world peace. But the Church has done nothing more constructive, such as issuing a ban on Catholic participation in war or support of war, with the threat of excommunication for those who disobey. At the moment many imperialist powers are preparing for war. France is engaged in colonial aggression in Vietnam, and the Netherlands has just completed another aggressive colonial war in Indonesia. The Vatican has not prohibited French Catholics

New Protestant Directory Published

MORE than 1,700 Protestant missionaries were in China as of July of this year, according to the newly revised Directory of the Protestant Christian Movement in China published by the National Christian Council. The Directory has been issued in tentative mimeographed form and will be published later in book form.

The China Inland Mission, with 770 missionaries in China as of last summer, still has the largest representation of all the mission groups, followed by the Presbyterian and Reformed Missions. Statistics, however, are not complete, as the compilers of the Directory report that they were unable to get recent information from many church groups.

The Directory also reveals that all the 13 Christian Universities—Hangchow Christian University, Soochow University, Fukien Christian University, University of Nanking, Ginling College, Hwachung University, West China Union University, Hwanan College, St. John's University, University of Shanghai, Cheeloo University, Yenching University, and Lingnan University—are in session this year as usual.

Two hundred thirty-six Christian middle schools are listed in the Directory: Seven in Anhwei province, 16 in Chekiang, 43 in Fukien, five in Honan, 15 in Hopei, 10 in Hunan, 10 in Hupeh, four in Kiangsi, 48 in Kiangsu, 37 in Kwangtung, three in Kweichow, two in Liaoning, two in Shansi, seven in Shantung, two in Shensi, one in Sikong, 14 in Szechuen, five in Taiwan, and three in Yunnan.

Nineteen theological seminaries are listed, 14 theological training schools and 17 bible schools.

The Directory also reports that of the 322 Christian hospitals in China, 62 have been closed, nine were destroyed or burned during the civil war fighting and three were looted.

— The Young Men's Christian Association has city associations in 34 cities, according to the Directory, and the Young Women's Christian Association has city associations in 15 cities.

or Dutch Catholics from participating in these aggressive wars under pain of excommunication. Instead, we find that priests were at the docks giving blessings to the ships and men sailing from France for the front in Vietnam.

On the other hand, democratic countries, such as China, are bending every effort toward protecting peace and preventing war. In Shanghai, for example, we have just seen a mammoth demonstration by scores of thousands of people parading through the streets carrying symbols of peace. Yet the Church gives them no commendation or support. This is truly puzzling to local Catholics.

It may be argued that religion should be divorced from politics, and that is why the Vatican has issued the order banning participation in the Communist Party. We must remember, however, that the Catholic Church has never been free from political affiliations in Europe, particularly in its relationship with the ruling classes.

In China the missionary history of the Catholic Church is closely related to the aggressive political and military developments in the country, as evidenced by the specific provisions for missionary activities in the unequal treaties. Because of the former superior position held in China by French imperialism, other foreign missionaries to China also were able to take advantage of the protection of the French Legation. This is a recorded fact in the history of Catholic missions in China and links the missionaries with past imperialist aggression.

To speak of more recent developments, Archbishop Paul Yu Pin participated in the reactionary political activities of the Kuomintang, and the Vatican never ordered him to restrain himself.

Is it possible that the Vatican closes its eyes to the participation of Catholics in the imperialist and reactionary camps, while censuring those Catholics desirous of participating in political activities in company of communists? If such should be the case, then Catholicism will only protect the capitalist, abet the imperialists in the suppression of the weak and oppression of the innocent, and will fail to qualify as the saving force of the masses.

Many Believers Confused

The current Papal Bull has confused many believers. Many have sought advice from priests. The replies received have generally been non-committal, sought to evade the issue, or were otherwise unsatisfactory. It is said that under communist rule Catholics must be prepared for suffering, and must not forget what Jesus went through and the miracle of his prayer in the dungeon. We are reminded that faith will bring us the grace of God and that the devil will eventually be punished.

There is also the view that since China has been liberated, the Papal Bull does not apply to China, but only to Europe where the threat of communism is keenly felt. However, this view seems scarcely valid since newspaper reports disclose that the Vatican is selecting particularly able priests for China where it is felt that they may be forced to undergo unusual difficulties and must be prepared to face persecution, imprisonment and even martyrdom. It is also reported that the Pope has permitted the secret observance of Mass in China. All this, which we Catholics here know to be unnecessary, indicates that the Vatican is not well informed on the local situation, and expects a conflict between the Church and state in this country.

Meanwhile, there are many reports of the temporal doings of the Church's representatives which disturb many of China's Catholics and which confuse some of them. While I am not well informed on the activities or nature of the Church in other countries, I do know of its activities in China. In the past the Church did not always have the best reputation where financial matters were concerned. Partially because of the unequal treaties, it managed to acquire huge amounts of property. Today it is one of the largest landlords in China. In Shanghai it is one of the city's biggest real estate operators.

Progressives Disturbed

This situation has led some of the more progressive Catholics to suspect that perhaps one of the reasons for the Papal Bull against communism is because the Church itself is one of the world's biggest capitalists. But though the Church as an institution is wealthy, the majority of individual Catholics are members of the broad masses—the oppressed and the exploited. How can they be expected to oppose a political party which has shown itself capable of doing something no other political party in this country has ever even attempted—raising their living standard?

In accordance with the doctrine of justice upheld by the Church, opposition should be strongly voiced against colonial aggression, imperialism, monopoly capitalism and the system of social exploitation. The believers look in vain for an order from the Vatican encouraging opposition to these matters. On the other hand, the Church bans support of the Communist Party which is openly opposed to the evil systems mentioned.

Since the Pope, the bishops, and the clergy are the most ardent believers, and set examples for the laymen, it should be expected of them to translate into practice the doctrines of the Church, to enable the believers to maintain unwavering faith in the teachings of their religion. But this they fail to do. How can the believers but be led to doubts, and the dignity and, indeed, the very existence of the Church but be jeopardized?

In writing the foregoing, I am not voicing opposition to Catholicism. But in the process of my taking up the Catholic faith, I have been confronted with many conflicting facts. The present Papal Bull has all the more increased my confusion and doubts. I am sure my dilemma is shared by many other Catholics.

— *T. H. L.*

THE MA

THIS song, known throughout China as "Ch'i Lai," is the new provisional national anthem. Sung during the war of resistance against Japan, it has been described as a "mighty song, belonging to the masses and symbolic of the inner voice of the people." The lyrics are by Tien Han, the music by Nieh Erh, and the translation (unofficial) by Francis Wu.

Nieh Erh, the composer of "Ch'i Lai," was one of China's most promising songwriters before his premature death in 1935. A self-taught musician, he had completed 34 songs by the time of his death at the age of 24, among them "The Open Road," "Road Builders," and "Forward March."

Born in Yunnan province, Nieh Erh joined the National Revolutionary Army during the Northern Expedition and arrived in Shanghai in 1930. There he first joined the Bright Moon Society of Singers and Dancers, directed by Li Chin-hwei, but left it because he considered its music decadent. Thereafter he wrote film music. In Shanghai, Nieh Erh obtained his first formal musical education, studying piano and violin with a private tutor, and in 1934 he went to Japan for further study. The next year he was drowned at sea.

Another outstanding young Chinese composer, Mai Hsin, who was killed by Kuomintang sodiers in 1947, had this to say of Nieh Erh's work:*

"The overwhelming majority of his composition justly reflected the sorrowful cries of the laboring people under the tyranny of the invading Japanese. His progressive outlook and experiences in the struggle helped him to establish a realistic method for the description of today's distress and fighting and tomorrow's hope. His 'The Open Road' is resolute and reserved, his 'Road Builders' is firm and self-confident, his 'Forward March' is steady and decisive, his 'Workers at the Wharf' is sullen and wrathful, his 'Ta Chang Kiang' is joyous and expressive of mass labor. His 'Ch'i Lai' is a signal to arm and fight, the prelude of the Resistance War. . . .

"When one is asked why Nieh Erh is loved so much, the answer becomes unanimous that Nieh Erh voiced what one would have said and yet dared not; and that his songs are easy to follow and produce energy and encouragement whenever they are sung. The inexhaustible fountain of Nieh Erh's inspiration come from the life of struggle of the whole nation. He invented a national form loved by the masses and he aroused their fighting spirit.

"The songs of Nieh Erh are easy to follow because in the process of composition the writer was conscious of his public.

"1) He seldom used more than 10 sounds, so that the compass is within reach of most singers. He knew that his songs were not written for 'standardized' sopranos or tenors in big concerts, but for the common

* *China Digest, July 27, 1948.*

MARCH OF THE VOLUNTEERS

people who receive no musical education.

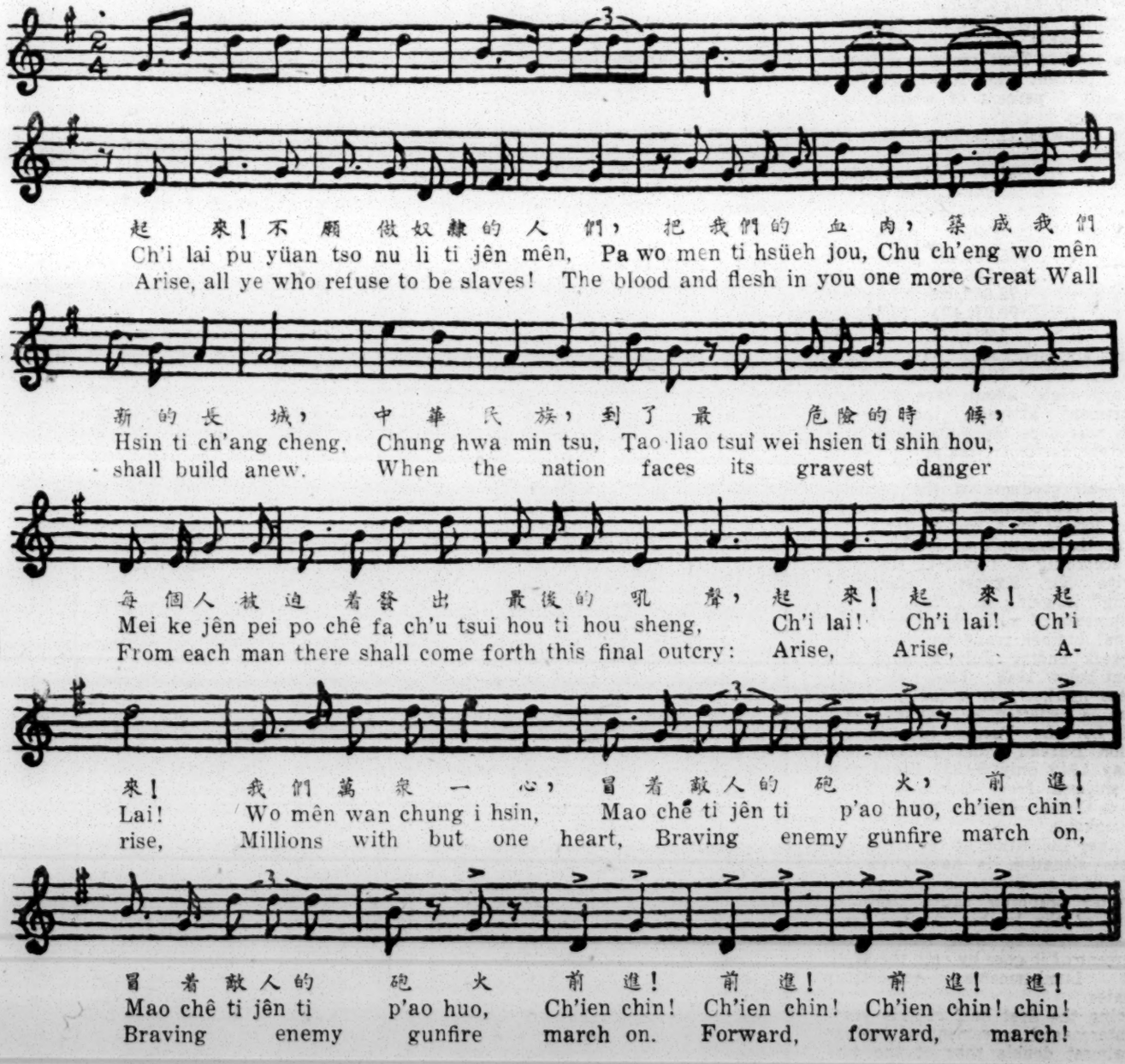
"2) He seldom used a note lasting longer than a minim; quavers, dotted quavers and semi-quavers and other short notes are used.

"3) He treated his concluding notes differently in his melodies. In many cases, his half cadences or middle phrases rest on the tonic instead of the dominant, which, according to musical rules, is not suitable. Here the composer only tried to use more short phrases and to make every phrase strike at the right place, clearly and directly. This special treatment follows closely with the special demand of the words.

"4) He often used western major mode and deliberately omitted *fa* and *si* in the major mode. Sometimes he made them mere passing notes or grace notes or skilfully put them in between the flowing melody. His attempt to employ Chinese modes . . . which are based on a new content and arranged in a new way, is most worthy of our praise. These Chinese modes have added a strong national feeling to Nieh Erh's songs. They become intimate and familiar to us. They are neither old type Chinese folk song nor pure imitation of the west. The composer used them to reflect a new phase of life.

"Some critics say that Nieh Erh's songs are not melodious, but this is not true. A song is melodious not because of its many variations but because of its ease and flowing style. We do feel a fresh and easy flow in all of Nieh Erh's compositions, every note is so skilfully organized in this rhythmic plan.

"The melody of Nieh Erh also exactly fits the words he chose. Owing to this particular treatment, the words are made to stand out more brilliantly. He did not fit in the sound word by word, but according to the mood of the phrase, its place in the whole design and the feeling that is all important.

"Some of Nieh Erh's songs are of loose construction because he had only a limited knowledge of musical form. But some are very expressive because the composer could free himself from the old bondage of musical doctrine. He relied upon the inspiration of the words and his own imaginative power."

起 來！不 願 做奴隸的 人 們，把 我們的 血 肉，築 成 我 們
Ch'i lai pu yüan tso nu li ti jên mên, Pa wo men ti hsüeh jou, Chu ch'eng wo mên
Arise, all ye who refuse to be slaves! The blood and flesh in you one more Great Wall
新 的 長 城， 中 華 民 族，到了 最 危險的時 候，
Hsin ti ch'ang cheng, Chung hwa min tsu, Tao liao tsui wei hsien ti shih hou,
shall build anew. When the nation faces its gravest danger
每 個人 被 迫 着發 出 最後的 吼 聲，起 來！起 來！起
Mei ke jên pei po chê fa ch'u tsui hou ti hou sheng, Ch'i lai! Ch'i lai! Ch'i
From each man there shall come forth this final outcry: Arise, Arise, A-
來！ 我 們 萬 衆 一 心， 冒 着 敵人的 砲 火， 前 進！
Lai! Wo mên wan chung i hsin, Mao chê ti jên ti p'ao huo, ch'ien chin!
rise, Millions with but one heart, Braving enemy gunfire march on,
冒 着 敵人的 砲 火 前 進！ 前 進！ 前 進！ 進！
Mao chê ti jên ti p'ao huo, Ch'ien chin! Ch'ien chin! Ch'ien chin! chin!
Braving enemy gunfire march on. Forward, forward, march!

Blockade Hurts US Trade

US Pacific Northwest faces business slump. Labor, management spokesmen blame Nationalist blockade; US recognition of China's new government urged.

WHEN the State Department gave tacit recognition to the Chinese Nationalists' blockade of Liberated China, Portland, Oregon, one of the nation's leading flour and lumber export centers, lost its third most important customer.

In 1929, Portland sent 2,980,843,565 pounds of cargo to foreign markets. During the first half of this year, 1949, although the population of the area had in the meantime increased by an estimated 126,632 persons, the port shipped only 1,358,893,651 pounds from its grain elevators, sawmills and docks.

Trade Down Over 90 Percent

The story of Portland's decline as a shipping center is in large part the story of what has happened to its China trade. That trade now is less than 1 percent what it was 20 years ago, only 5 percent of what it was a year ago.

The following table shows what has happened:

Year	*Shipments by pounds to China from port of Portland* Total	Lumber
1929 . . .	545,781,499	399,782,783
1937 . . .	145,548,618	119,642,160
1941 . . .	72,662,096	7,519,895
1948 . . .	96,271,371	13,868,454
1949 . . .	3,907,025	1,911,448

(first six months)

By the end of 1949, unless there is a sharp right about face in State Department attitude, the country which was once Oregon's third most important customer, taking thousands of tons of lumber, grain, flour and paper—all products of the region—will be represented in the state's export ledger by a row of zeros.

Take the example of lumber. Today, according to David C. Moore of Douglas Fir Export, "practically nothing" is going to China.

Shipments of mills reporting to the national lumber trade barometer for the week ending July 9 were 29.5 percent below 1948. That loss of the Chinese market was a factor in the decline is reflected in statistics provided by the Pacific Lumber Inspection Bureau which records that in May 1949 only 89,237 board feet was shipped from Columbia River ports to China. Most, if not all, went to Hongkong.

Another indication of the effect the Chinese situation is having on industry and commerce is seen in the rail-water shipping ratio. Once 50 percent of the lumber shipped from Portland went by sling load; today 75 percent of it goes by rail, the West Coast Lumbermen's Association estimates.

During the first half of this year, the intercoastal movement of lumber was almost double that of the corresponding period in 1948. Had the Far Eastern market held up, it is safe to assume that Oregon lumber workers today would not be fifty percent unemployed and, according to information supplied by the CIO woodworkers' Columbia River district hiring hall, facing additional mass layoffs.

Commenting on the situation, E.C. Tucker, business agent of the International Woodworkers of America, Local 5-3, said bluntly: "Any place we can get overseas shipments started would help us."

Portland's two big sawmills, Inman-Poulsen and West Oregon, once specialized in cutting "Japanese squares" for the Orient. Now the first-named plant has been converted to the "retail" and rail trade, and is running on a curtailed basis. Yet the firm's H. J. Leaf, asked if he thought resumption of the China trade would help business, replied: "I don't want to answer that one; I'm a Republican."

As for Portland flour, China took 29,212,428 lbs. of it in 1941. Today, according to Thomas Kerr of Kerr-Gifford (N.W. Dock & Elevator, Terminal No. 4 Elevator, Kerr-Gifford Dock & Elevator), the Chinese grain market has "disappeared." This has meant a drop of 10 to 20 percent in the total volume of Oregon's grain business, says Mr. Gifford.

This year the vast rolling grainlands of eastern Oregon and Washington are expected to yield 95,000,000 bushels of wheat, the Pacific Northwest crop improvement association reports.

Yet much of this bumper crop will lie unmarketed and unused in Oregon grain elevators while employees of Oregon flour mills go jobless or work only two days a week, as they were doing this week at the large Pillsbury export mill at Astoria.

What loss of the China market has meant in terms of the pay envelope to Portland longshoremen is reflected in figures recently compiled by Ed "Squalky" Adams, earnings clerk of ILWU Local 8. From January 1 to June 30 of this year, Local 8 members put in only 67,329 man hours, as compared to 96,423 hours for the same period in 1947, Adams estimates. (1948 was not used as the comparative year because shipping was at a standstill for weeks during the Columbia River flood.)

Commenting on what resumption of the China trade would do for Local 8, International Longshoremen's and Warehousemen's Union (CIO) International representative Matt Meehan declared it would mean the difference between the local's one-third drop in employment and "going full blast."

"Lumber has always been our main cargo item—we'd have a 12-foot overload on deck, and on flour we'd start at the bottom and come up to the hatches."

Unions Speak Up

West Coast longshoremen are on record for "renewal of trade relations with all parts of China" and have asked the State Department to make speedy efforts in this direction.

Another West Coast union in favor of resumption of free trade between the two major powers bordering the Pacific is the National Union of Marine Cooks & Stewards (CIO). The cooks, at their recently ended convention in San Francisco, charged that hundreds of American seamen as well as Chinese people are "victims of the State Department's bankrupt foreign policy."

The economic crisis in the United States, the cooks suggested, "is traceable in part to the State Department's refusal to permit, let alone develop, the potentially high trade with China." Fifty additional ships, the cooks said, could "ply this trade with profit."

Other maritime unions reporting unemployment highs include:

US LABOR WANTS TRADE

EVEN before the effects of the blockade were felt, large sections of workers on the Pacific Coast were demanding more trade with liberated China.

The annual convention of the Northern Washington District Council of the International Woodworkers, meeting in Bellingham, Washington late in April, issued a report calling attention to the growing unemployment in the lumber industry. The report declared that "a practically unlimited foreign market could be established for lumber if our government would immediately negotiate for trade agreements with representatives of the people of the European countries and China." It warned that "without such agreements our lagging export market for lumber will continue to languish and unemployment in our industry will continue to mount."

In San Francisco the same month a "stop work" meeting was held by members of the International Longshoremen's and Warehousemen's Union to discuss mounting unemployment on the waterfront. Workers at this meeting, too, declared that one solution was "doing business with New China."

Similar conditions are being experienced on the Seattle waterfront. One longshoreman reported, in a letter to his labor paper, "Scaling work has fallen off. No ships.... For the past two or three weeks there has been some work on the banana boats. But not enough to call it a living. All of the workers agreed that our representatives in Washington had better stop making war whoops and do something about foreign trade, particularly with free China, or they are going to have a lot of maritime workers on their necks."

Sailors Union of the Pacific (AFL). J. W. Massey, port agent, said: "In the past many vessels went from this port to Shanghai; there are none now. We have about 500 members on the beach as compared to 200 in normal times."

Marine Firemen, Oilers & Watertenders (Independent). Art Coleman, patrolman: "A lot of our members are on the beach."

Marine Engineers (CIO). "Not fully employed. China would be a factor."

The state Farmers Union paper on June 15 urged farmers of the Northwest to "bring pressure on the State Department to force lifting of trade restrictions" with China. "Trade with China," said the article, "would mean larger farm markets" and more employment "throughout the entire Northwest."

In the event trade relations were to be resumed, there would be no lack of American bottoms to carry cargo to China. Last week I counted 200 merchant ships lying idle in the US Maritime Commission's reserve fleet base at Tongue Point. Two grain carriers are scheduled for the "boneyard," after paying off here this week. Ships of this type would give employment to some 36 men for 50-55 days (per trip) in the China run.

Shipping interests, locally owned or with offices in Portland, are not pressuring the State Department to re-establish trade relations with China—at least on the surface—although loss of the Far Eastern market has meant for some of them up to an admitted 90 percent drop off in their total volume of business.

"We have to talk out of both sides of our mouth," American Mail's W. L. Williams said.

Mr. Williams, however, believes American shipping interests will "be doing business in *all* Chinese ports in the near future." He thinks recognition of the "so-called red regime" would result in "a greater volume of trade than ever before" between the two countries and says frankly that "everyone directly connected with the China trade" knows there "was a good deal of skullduggery under the Nationalists."

Pacific & Far Eastern's S. B. Barnes (main cargo, grain) is not personally "optimistic about the Communists," although he feels "they have not been in long enough to tell." Speaking for the firm, he says: "All we want is to see cargoes on our ships."

The locally owned States Steamship Company which, through the Dant family also controls a vast lumber empire (including the Inman-Poulsen sawmill of Portland) and which, through an interlocking directorate with the Coos Bay Lumber Company, is tied in with Portland's all powerful Republican boss and public utility magnate, Franklin T. Griffith, was one of the two steamship companies refusing to lay it on the line in regard to recognition of the new regime in China.

A Dant and Russel spokesman expressed fear the new regime might want to "operate as co-ops," said the firm's representative in China "had moved to Japan" to watch developments from there.

The concensus of other steamship line representatives interviewed was firmly in favor of establishment of trade relations. One representative of a foreign firm, Mr. Harold Karl of East-Asiatic, expressed the view "it would be a good market...there are so many people to feed." He said many businessmen were looking forward to recognition.

Douglas Fir Export's Mr. Moore said frankly, "While there's a division of opinion" in local steamship circles, "quite a few think we have been backing and supporting the wrong party, and I would not be surprised if that were so."

Discussing the new order in China, Moore said, "They are in there, and I feel if they are given a chance to trade, we will benefit by it...We could get along somehow."

The Pope and Talbot Company representative, George Brown, said: "It would certainly help the lumber business."

Oregon senators Wayne Morse and Guy Gordon, both Republicans, are opposed to recognition of New China. In view of the above interviews with labor and industrial leaders, farmers and other, it would appear that the state's spokesmen in the US Senate are uninformed as to Oregon's needs.

—KATHLEEN CRONIN

(Reprinted from FAR EAST SPOTLIGHT)

The Week's Business

RAMPANT speculation still featured the local market as quotations of various commodities continued to record sharp increases. The wide-margin fluctuations in commodity prices were reflected by the jump in the parity deposit rate from JMP1,341 on November 9 to JMP1,855 on November 16.

In some of the local markets, such as cotton yarn and cloth whose quotations soared by 60 to 70 percent during the week, a buying rush was noted. Speculative merchants held on to their goods and manipulated prices on the pretext that stocks in the city were short. The price up-surge in the rice and other staple food markets was no less mild, despite the daily dumping of large quantities of supplies by the state trading companies. Outport quotations were reported keeping up a bullish trend in unison with the Shanghai market.

The heavy sales of supplies by the authorities, including rice, wheat flour, beans, cotton yarn, cloth and sugar, amounted to billions of JMP daily. This coupled with the collection of the business tax and commodity tax brought on an extremely stringent money situation. Curb interest rates were reported as high as JMP30 to JMP40 per mille per day on loans, while the official interest rates among the banking circles were also raised to JMP8.50 per mille on deposits, JMP26 per mille on loans and JMP 21 per mille on interbank loans.

Reflecting the tight money situation was the steady increase in the number of dishonored checks which reached JMP3,139,104,531 on November 16 out of a total turnover of JMP131,978,715,818 for the day. Many small banks are reported finding difficulty balancing their accounts at the Shanghai Clearing House, and rumors were current in the market that a number of banks may fail because of their speculative activities.

As a result of the price fluctuations, long queues are again seen outside the People's Bank making parity deposits, which are proving increasingly popular. New measures announced by the People's Bank on November 10 lifting restrictions and raising interest rates on these deposits is also regarded as one of the contributing factors in their growing popularity. On November 14, a total of 1,244,559 parity units was reported deposited with the People's Bank and its appointed banks. This included 248,657 units for current deposits and 995,902 for term deposits. An even larger amount was turned in to the People's Bank on November 15 following the payment of mid-month wages.

Rates for foreign exchange were raised considerably with the quotation of US dollars upped to JMP7,000 for drafts and JMP6,700 for notes on November 15. The Bank of China also readjusted the quotations of silver dollars from JMP1,600 to JMP2,000 for Yuan Shih-kai dollars, from JMP1,520 to JMP1,900 for Sun Head and Junk dollars and from JMP1,280 to JMP1,600 for Eagle and Dragon dollars.

Meanwhile, some interesting foreign trade figures were released during the week. Within the nine-day period from November 1 to 9, a total of JMP5,200,000,000 worth of supplies, including green tea, casings, embroideries, silk, straw hats and hams were exported from this city, equivalent to half of the total exports from Shanghai in October. The import supplies during this period totalled 80,276 kilograms, ranging from raw cotton to dyestuffs, caustic soda, paper, chemicals and industrial raw materials, kerosene and diesel oil, crude rubber, wool, gunny sacks and machineries.

Following is a listing of representative commodity commodity prices for the past week:

	Nov. 9	Nov.16
Parity Unit	JMP1,341	JMP1,855
US dollar (note)	5,000	6,700
20's yarn	1,650,000	2,300,000
12-lb. cloth	67,000	100,000
Rice, 1st grade	57,000	98,000
Peanut oil	163,000	260,000
Coal briquette	6,200	8,100

NEWS OF THE WEEK

South China Campaign; Flying Cloud Shelled; A German "Peace"

The military news of the week indicates that the People's Liberation Army in south China is rapidly developing its strategical plan to split the remaining Nationalist forces into three parts, in Szechuen, Hunan and Kwangsi.

There is fighting along the borders of Szechuen and Kweichow, and General Chen Keng's forces are reported advancing from Canton westward along the West River to within striking distance of Wuchow, which is expected to fall.

Hongkong reports say that PLA troops are massing for drives into Kwangsi, Kweichow and Szechuen.

Campaign statistics released on the recent Kwangtung campaign indicate that the KMT forces suffered heavy losses of men and material. PLA forces continuing their drive into southwest Kwangtung have liberated Fahsien, Mowming, Sunyi, Limkong and Takhing county seats.

In southwestern Hunan, General Lin Piao's forces are reported threatening Kweichow, and KMT General Pai Chung-hsi is said to be pulling back his troops from Kweilin to Kweiyang, provincial capital of Kweichow. During the last month and a half, General Lin Piao's men, coordinating with the Second People's Field Army, have inflicted losses of over 100,000 troops and large quantities of equipment and military supplies on remnant KMT forces, according to a *New China News Agency* report from Hankow.

* * *

Disunity Spreads

ACCORDING to Hongkong reports, the Nationalist Government is facing another political crisis as acting-President Li Tsung-jen finds it increasingly difficult to enforce his orders upon Szechuen officials.

It is said that differences between KMT leaders and provincial authorities are the main reason why General Chang Chun, commander for Southwest China, is urging Li Tsung-jen to accept his resignation.

The reports further say that the acting-President's growing despondency over the deteriorating political and military situation facing the Kuomintang caused his recent departure from Chungking to Kunming. Since then, Li is reported to have left Kunming for Kweilin to meet Pai Chung-hsi. General Lu Han, Governor of Yunnan, has given no indication that he would cooperate with Li.

From Peshwar, India, comes a report that 12 KMT officers fleeing from Sinkiang after its occupation by the PLA have arrived in Pakistan. The party of officers is said to include "a few generals."

Chiang Kai-shek is reported to have left Taiwan for Chungking, accompanied by his eldest son, Chiang Ching-kuo and a number of other KMT officials.

The Ledo Road—240 mile highway linking upper Burma with China—will be reopened for regular traffic next February, the State Minister Sareduur Sinwanrung announced in Rangoon.

* * *

The Bogus UN Delegation

THE *New China News Agency* has released the text of telegrams sent by Foreign Minister Chou En-lai to Trygve Lie, secretary-general of the United Nations Organization, and to General Romulo, chairman of the United Nations General Assembly, requesting the withdrawal of "all rights and privileges" from the "so-called delegation of the Chinese Nationalist Government" in the United Nations.

Foreign Minister Chou En-lai's telegram to the secretary-general of the United Nations Organization reads as follows:

"The Central People's Government of the Chinese People's Republic was formally established on October 1. On the inauguration day, Chairman Mao Tze-tung of the Central People's Government solemnly proclaimed to the world that the Central People's Government of the Chinese People's Republic is the only lawful government that can represent the people of the Chinese People's Republic.

"The Central People's Government of the Chinese People's Republic has now basically liberated the territories and people of the whole of China and has had the warm support of the people of all China. The Kuomintang reactionary government, on the other hand, has gone into exile and broken up, and its remnant forces will be eliminated very soon. It has been deprived of all *de jure* and *de facto* basis for representing the Chinese people.

"It follows that the so-called 'delegation of the Chinese Nationalist Government' which is participating in the United Nations Organization in the name of the Chinese people, has become the tool of a small group of exiles, having absolutely no qualification to represent the Chinese people.

"I, on behalf of the Central People's Government of the Chinese People's Republic, formally request the United Nations to withdraw, by virtue of the principle and spirit of the United Nations Charter, all rights and privileges of the 'Chinese Nationalist Government delegation' for participation in the United Nations, in order to meet the desire of the Chinese people.

Chou En-lai, Foreign Minister of the Central People's Government of the Chinese People's Republic."

Recognition of China

IN Canberra, Australia's capital, on November 11, the Australian Minister for External Affairs, Dr. Herbert Evatt, said on the question of recognition of China: "We agree, as my statement of October 25 indicated, with the principles laid down by the United States Secretary of State. It would seem most desirable that in this case also British Commonwealth policy should be coordinated and the question of China, like the question of Japan, made the subject for discussion at a political level at the Ceylon conference" (scheduled for early in 1950).

In London, on November 13, Indian Prime Minister Nehru also said that the subject of recognition of the Chinese People's Government should be made the subject of discussion at the Ceylon conference.

* * *

Not For Greenhorns

IN the British House of Lords, members have been complaining that officers and men of the British forces are being sent to fight the Malayan People's Army "without adequate training."

Lord Reading, Liberal, said that he was apprehensive that such young men should go out to "that most arduous and exacting form of jungle warfare in Malaya." He said: "It is unfair to the young men and no less unfair to the officers called upon to lead them."

Lord Templewood, former Conservative Cabinet Minister, said: "I cannot believe everything is right with the army when the short service boys are sent into jungle warfare in Malaya without any previous training whatever."

Lord Hall, First Lord of the Admiralty, replied that these men have a minimum 16 weeks' training and 18 weeks' service before going out.

* * *

For Peace or War

PARIS reports on November 11 said that the three Allied High Commissioners, who attended the Foreign Ministers' talks in Paris, have left for Germany instructed to carry out the following three-point program:

1) To open early talks with the Bonn government.

2) Germany to be offered virtual discontinuation of dismantling in exchange for effective security guarantees.

3) To tell Dr. Adenauer, the West German Chancellor, that the Western occupying powers and the Council of Europe were willing to admit West Germany as an associate member of the Council.

The Paris meeting is understood to have given a general directive for ending the existing state of war with Germany as far as relations between the West German government and

the American, British and French occupying powers are concerned.

London newspapers print opinion from diplomatic quarters in Britain that dismantling of war potential industries in West Germany will stop in the meantime.

An "authoritative source" said that a decision to reprieve four large steel works in West Germany would raise the level of permitted steel production capacity in that area from 13,400,000 tons yearly to 16,500,000 tons yearly. Europe's largest steel factory, the Thyssen plant in Hambohn, British zone of Germany, will probably be only partly dismantled as a result of an agreement reached by the three foreign ministers in Paris. The Thyssen plant produces 2,000,000 tons of steel annually.

Paris reports say that, although the rearmament of West Germany was not officially mooted at the conference, informed Frenchmen take it for granted that the American, British and French governments have "set their feet on a path which must within a relatively short time lead to this result."

Already, according to usually well-informed sources, the three high commissioners have been empowered to discuss with the Bonn government the formation of a West German police and security force.

Later reports from Bonn on November 14 quote a "West German government spokesman" as saying that the western powers had abandoned the idea of ending the state of war with West Germany at present "because that would remove the justification for the presence of occupation troops in Germany."

The West German government is said to share the view that the presence of occupation troops, "however much of a nuisance," was in Germany's interest.

Varied Reactions

REACTION to these rather significant developments ranges from uneasy pessimism to alarm. News from Brussels says that "sources close to the Belgium cabinet" view with considerable reserve the three foreign ministers communique on their Paris talks. Belgium, twice in 25 years a victim of German aggression, opposed any tendency to relax controls placed upon Germany by the occupation statute. It was considered that this tendency was shown at the Paris talks.

In Paris, the moderate "France-Soir" wrote that the communique "brings us no light. The Paris conference is not an ending, but a beginning."

The right-wing "Paris Presse" calling the communique a "masterpiece worthy of the purest traditions of secret diplomacy," added: "It tells us strictly nothing."

The Communist "Ce Soir" said: "The ministers who met in Paris have come a step further in the preparation of war against the Soviet Union."

Seceretary of State Acheson declared that the results of the conference would "develop and come out over the weeks and months ahead."

* * *

South Korean Revolt

On November 13, the *New China News Agency* carried a report that peasants in South Korea are said to have risen in large-scale revolt against reactionary landlords followed victories won in widespread guerilla warfare.

More than 7,000 peasants are said to have risen in revolt on October 29. The revolt is reported to have spread.

Over 1,000 peasants began an uprising in the early morning of October 29. Immediately 3,000 farmers from 46 villages joined the uprising. In close coordination with people's guerilla bands, they attacked reactionary landlords, usurers, special agents, reactionary officials and police, confiscating property, lands, and title-deeds. They occupied several branch offices of the "Democratic Kuomintang," "National Protection Army" and "People's Peace Preservation Corps."

The slogans of the farmers were "Let us start to carry out land reform similar to that in North Korea" and "Eliminate bandit Syngman Rhee." They are reported to have called a mass meeting, held a public trial of a number of reactionary elements, and unanimously passed a resolution to confiscate the lands of landowners and distribute them free to farmers.

* * *

Acheson in Bonn

AFTER the talks of the three foreign ministers, of the United States, France and Britain, held in Paris, Secretary of State Acheson is paying a visit to Germany.

Mr. Acheson is the first foreign minister of an occupying power to pay a formal state visit to the West German Republic. For the first time since the war the flags of the United States and the West German Republic flew side by side during Acheson's stay in the West German capital. After arriving by train from Frankfurt, the Secretary of State had an escort of white-uniformed German motorcycle police instead of American military police.

Acheson paid a formal visit to Dr. Theodor Heuss, West German president and had a private talk with Chancellor Konrad Adenauer.

According to Dr. Kleiber, head of the President's office, Dr. Heuss, during his talk with Mr. Acheson, emphasized the importance of the "Berlin problem." He said its difficulties "cannot be solved by the Germans alone but only with Allied assistance."

Dr. Heuss is reported as concluding by saying he would welcome more visits by Americans to Germany to learn about "the German way of life."

Addressing a press conference after his visit to Dr. Heuss, Acheson said that he had been greatly encouraged by his talks, which had convinced him that the West German leaders had the courage and energy "to go forward on their way."

From Bonn, at the same time, comes the news that the West German government is awaiting an Allied decision on a proposal that a large sum of foreign capital should be invested in the Vereinigte Stahlwerke, biggest steel company in the Ruhr.

A government spokesman confirmed that Federal Chancellor Adenauer sent to the three foreign ministers at their Paris conference last week a secret memorandum proposing that three-quarters of the 300,000,000 Marks new capital desired by the steel works should come from foreign investors.

More News On Steel

A LONDON report, dated November 14, said that political quarters believe that the British Cabinet had decided to offer the "mainly conservative" House of Lords a compromise on the date for the nationalization of Britain's steel industry.

It was not known whether the Cabinet was prepared to meet the Lords' demand that the nationalization bill should not come into operation before next October. Political quarters said that the government might have in mind some earlier date which would, however, still be after a spring election.

The fixing of a date for next years' parliamentary elections may be determined by any agreement reached between the government and the House

American Ship Shelled

Last week a Nationalist gunboat held two British freighters, the Wosang and Tsinan, at the mouth of the Yangtze preventing them from proceeding to Hongkong. Over the weekend, the American freighter, Flying Cloud joined them.

On November 14, taking advantage of foggy weather, the three ships made their escape. Reports from New York say that the Flying Cloud was fired on and hit by the Nationalist gunboat as it left. Details state that when the gunboat opened fire, the captain of the Flying Cloud ordered passengers below decks. The ship was hit a number of times, shells bursting against the sides and some penetrating the hull. There were no casualties.

The Flying Cloud is stated to be on its way, after an inspection of damage, to Fusan in Korea.

From Washington it is reported that there is no change in the policy of the United States in this matter, that American ships enter "blockaded" ports at their own risk.

Meanwhile, the Voice of America in a broadcast on Thursday, November 17 quoted United States Secretary of State Dean Acheson as saying that the United States Government would not recognize the Central People's Government of China at the present time. Acheson is reported to have said that chances of recognition were dispelled by the treatment of US Consulate personnel in China, particularly the case of Angus Ward in Mukden. Ward is under arrest on charges of assaulting a Chinese employee of the US Consulate in Mukden.

Chinese Magazines Say:

Republic of 1911 failed because bourgeoisie weak and unable to unite other revolutionary classes; ruling power seized by warlords and reactionaries.

IN the October 16, 1949 issue of *New China* Lu Wen-ti explains the difference between The "Chinese Republic" and the "People's Republic of China" and points out that the "Chinese Republic" and the "People's Republic of China" are two completely different "political authorities." The old republic represented the interests of landlords, bureaucrats, compradore capitalists and bureaucratic capitalists while the "People's Republic of China" is a joint dictatorship led by the working class based on the alliance of workers and peasants, and within this dictatorship it unites the petit bourgeoisie and national capitalists.

"We must not, of course," states Mr. Lu, "lightly wipe out the capitalist democratic revolutionary nature of the 1911 Revolution, nor the progressive signifiance of a life-time of devotion to the cause of the revolution shown by Dr. Sun Yat-sen. But these considerations alone do not show that the government of the 'Chinese Republic' was anti-imperialist and anti-feudalistic, and was democratic.

"For after the success of the 1911 Revolution, the power of the 'Chinese Republic' was not held by Sun Yat-sen and his followers, who at the time represented the demands of the bourgeoisie for democratic revolution, but instead the government fell into the hands of the Peiyang warlords headed by Yuan Shih-kai."

The author explains how it happened that the 1911 Revolution which possessed the characteristics of a bourgeoisie democratic revolution came to represent the interests of the reactionaries.

"And when the military progress of the Northern Expedition began to develop quickly, and the forces of the workers and the peasants were growing in strength, needless to say, the feudalistic and compradore elements were the first to betray the revolution. Very soon the bourgeoisie elements also began to waver, and finally they broke up the united revolutionary front, to surrender before the feudal influences and the imperialists. The Kuomintang thus became a political party that was counter-revolutionary and engaged in the massacre of workers and peasants.

"The developments of these years amply prove, therefore, that following the end of the first world war, and particularly after the success of the October Revolution in Russia, the revolution in China could no longer be completed by the bourgeoisie themselves. Success for the revolution in China would only be possible, it became evident, by putting it within the scope of the socialist revolution of New Democracy, which is a part of the socialist revolution of the international proletariat. . . ."

The author goes on to say that the history of the New Democratic Revolution of China began with the formation of the Chinese Communist Party in 1921 and developed during its long struggle with the reactionary forces within the Kuomintang, culminating in the formation of the People's Republic of China today which is the result of the long revolutionary struggle put up by the Chinese people under the leadership of the Chinese Communist Party.

In discussing the characteristics and policies of the People's Republic of China, Lu Wen-ti points out first that the political powers of the People's Republic of China cannot be shared by the remnant feudal elements and the running dogs of imperialism. "In the second place," he says, "the People's Republic of China has been created by the revolutionary classes of China under the leadership of the working class, and the nature of its government must necessarily be basically different from the so-called 'democratic' government of the bourgeois countries, while it is also not the same as a proletariat dictatorship in a socialist states. . . . In the third place, the People's Republic of China represents the period of transition in China from the status of a semi-colony and semi-feudal state to the state of socialism.

"In the fourth place, since the People's Republic of China is a coalition government of all the revolutionary classes against imperialism and feudalism, since the government is led by the proletariat, and since it is the government that serves the transitional period from the semi-colonial and semi-feudal state to the socialist state, then it must of necessity be opposed to imperialism, and must befriend the socialist and new democratic countries of the world, as well as the people in the colonial countries and the revolutionary classes in the capitalist countries. That is what is meant by 'leaning to one side.' . . ."

"To sum up, the establishment of the People's Republic of China announces the conclusion of 2,000 years of feudal rule in China, the conclusion of the semi-feudalistic and semi-colonial state of society existing for the last hundred years. At the same time it announces the beginning of the era of New Democracy—a new historical era that gradually leads to socialism."

of Lords, which has been fiercely resisting all government moves to carry through its last election pledge to nationalize the steel industry.

* * *

Shanghai Price Fluctuations

Shanghai has been disturbed this week by sharp rises in the price of most commodities. The *Giefang Rhbao* quoted an authoritative source of the East China Financial Commission as saying that the livelihood of Shanghai's citizens and normal business have been considerably affected.

It was pointed out that under the prolonged rule of the Kuomintang, the industries and commerce of Shanghai were seriously impaired and disrupted. These long standing weaknesses have been aggravated by speculative activities and the insufficient understanding of the citizens of the currency policy of the People's Government.

In the past five months, following Shanghai's liberation, the People's Government has been making every effort to promote production and stabilize the market. The normal development of trade in August and September gave evidence of the steps taken by the Government.

However, as stated in the *Giefang Rhbao*, a number of new factors appeared:

1) As a result of swift expansion of the liberated areas the demand for Shanghai products has considerably increased. However, because of difficulties encountered in the supply of raw materials, and power shortages, Shanghai industries have not been able to cope with the situation. Thus supply and demand could not be balanced.

2) Government buying of raw materials and expenditure on reconstruction has necessitated an increased issue of JMP.

3) Land reform is not completed in the newly liberated areas and so capital spent by the Government in rural reconstruction has not found an outlet in the countryside. It has flowed back, particularly to Shanghai. All this idle capital has not been guided into production, and it has been an important factor upsetting prices.

4) Speculative activities have recently revived and are most destructive to economic stability. The Government promises to curb these.

The *Giefang Rhbao* points out that the causes of the present price fluctuations are quite complicated. It added that several favorable factors exist:

1) The extension of the newly liberated areas and the establishment of order will strengthen the Government financially.

2) The collection of autumn taxes will help.

3) The issuance of currency for productive purposes will begin to show results.

4) The development of communications will promote the flow of supplies between city and countryside.

5) The development of the Sino-Soviet barter trade will improve the supply of raw materials and raise the productive techniques of the country.

It is explained that the fluctuations in prices will not continue for ever and the conclusion is that the Government's duty and the duty of every citizen is to develop the favorable factors in the situation and conquer the unfavorable factors.

LETTERS

(Continued from page 179)

official named Lien Hsiang-yu who served the Chao state and who was a man of quality. He had even been a diplomat to the Ching state and therefore Zhao Wang of the Chao state gave him a high place.

Old General Lian Po, who regarded himself as having been successful in battle and who was self-complaisant and self-conceited, overlooked Lien Hsiang-yu, and every now and then he would speak insultingly about him in front of other people. But when this news reached Lien Hsiang-yu, he only laughed.

One morning Lien Hsiang-yu took a vehicle and went to call on a friend. He came across Lian Po riding a horse. Catching sight of him, Lien Hsiang-yu turned in the opposite direction. This sort of thing happened several times, and people asked him: "Why do you dread Lian Po so much?" He replied: "I have no fear in front of a million troops. Can I fear General Po? You must know why the Ching state dares not invade the Chao state—largely because we have great unity among people's minds and do not quarrel among ourselves, thereby giving occasion for enemy aggression."

These words came to Lian Po's ears. He felt ashamed and apologized to Lien Hsiang-yu. After that the two became good friends and together studied the nation's affairs. This consolidation prevented aggression from the Ching state.

This story, told us in the Revolutionary Center, is important. Only by consolidation can we prevent enemy aggression and disruptions and remain victorious.

P. T. LIN

Hwang Yen Hsian
Chekiang
October 28, 1949

(The second part of the Chou Dynasty [1,000-2,000 BC] is known to historians as the period of the Warring States. China was divided into some 20 states fighting against one another. The strongest of them all was the Ching state, with its capital in Sian. The Chao state, in Honan, was its immediate aim of invasion. But, thanks to the close cooperation of its two ablest men, the general Lian Po and the diplomat Lien Hsiang-yu, the Chao state withstood successfully the many aggressive attempts made by the ambitious Ching state—Editor.)

NATIVE LAND

To The Editor:

I have just come from the United States. This poem describes what I saw and what I thought about America:

Dear friends, I fear you pity me today.
You read such lies and drivel in your press;
You wonder why I did not care to stay
In "God's Own Country" whom "all nations bless."

For many years I wandered China o'er
Through Nanking, Peking, Mukden, Kunming passed
No home had I, my heart was lone and sore
Chance came to see my native land at last.

I yearned for English conversation deep
With minds akin, but yet more high and strong
I longed for music—in the best to steep
My starved soul—I longed for song.

For love I longed, that sees with inward eye,
That woos the mind and soul, yet body too,
For these and all high things my heart did cry
When Golden Gate and Frisco came in view.

Oh woe! I found a people blind and deaf,
Crazy for sex and jazz, for dance and drink!
Of inner peace and happiness bereft
Who only wisecrack, can't converse or think.

They dope their minds with mysteries and trash
Are slaves to cars, food, clothing, in short, to things,
And yet so blind they can't foresee the crash
To which they're flying fast on reckless wings.

Americans I found no longer free
Though still to liberty lip-service give,
To all old gods they merely bend the knee
As slaves of creed, convention, fashion live.

I saw the rising tide of color breed
In my own race a sense of panic, fear.
Hatred and jealousy of those it freed.
Who've struggled upward till they've come too near.

Not pride but shame I feel in skin too white,
My kinship with oppressors I'd efface;
I'll give my whole life to the fight
For equal rights for every tribe and race.

G. AMERCHINE

Wusih, Kiangsu
November 1, 1949

Chinese Papers Say:

Price fluctuations unavoidable until conditions for economic stability are present; air lines did right thing.

Commenting on the recent rise in the prices of basic commodities, the *Ta Kung Pao* on November 9, 1949 pointed out that to Shanghailanders who have enjoyed the blessings of steady prices for several months, the recent price rises are alarming. But, says the article, it is important for everyone to understand why these rises have taken place. The following points are made:

"1) As a result of the restoration of and improvement in industrial production, and of the steady development of industrial, mining, and transportation enterprises in the old liberated areas, the demand for all kinds of industrial raw material becomes greater. With the prevailing enemy blockade still in force and with a comparative scarcity in a number of imported articles, compradore commercial capitalists, taking advantage of the situation, begin to indulge in harmful speculative activities which have the effect of raising the general price level.

"2) As a result of the rapid expansion of the size of the liberated area, particularly following the liberation of South China, the market for the industrial products of Shanghai becomes greatly enlarged. The improvement in economic conditions and in transportation facilities within the old liberated area further increases the demand for the manufactured goods of Shanghai. Accordingly, idle capital disguised as bona-fide commercial capital begins to make itself felt in the market to bring about a rise in the prices of commodities.

"3) In view of the fact that the war of liberation is still going on, Government spending to meet military needs, the needs of the new liberated areas, as well as for the restoration of communications, for reconstruction, and for the procurement of raw materials, is bound to be immense. It is inevitable that some of the Government spendings should find their way to the Shanghai market and increase the general purchasing power.

"4) During the past two to three months of comparatively steady price conditions, large amounts of money have been tied up in the form of short term deposits. Following the start of price fluctuations, these funds have become unfrozen to constitute a powerful force in a buyer's market.

"5) In view of the fact that the developments in prices follow blindly the market laws, fluctuations in the prices of commodities are bound to be all inter-related and influenced by the objective conditions of supply and demand. The unbalanced situation thus created offers a good chance for commercial speculation and brings with it a general rise in the price level."

"As long as the conditions for economic stability have not yet arrived, price fluctuations are bound to be unavoidable. Under these circumstances," concludes the article, "the duty of the Government lies not in blindly keeping the price level down, but rather in controlling the key commodities, in administering appropriate adjustments, and in restraining speculative activities which tend to disturb the market."

* * *

On November 10, the *Ta Kung Pao* hailed the news of the coming over of the CNAC and CATC whose staffs include more than 4,000 workers as "a great piece of good news which was, however, not unexpected. For all the sons and daughters of China are certainly anxious to return to the fold of the fatherland. The two companies CNAC and CATC, were really the property of the Chinese people, but were usurped and exploited by the Kuomintang bandits. . .

"From the coming over of the staffs of the CNAC and CATC, we can envisage the auspicious beginnings of civil aviation enterprises in the People's Republic of China."

The Review's English Lesson CVI

Questions And Answers

THIS week, we have a question from Mr. Han, and the remainder of Mr. Shih's queries, which we began to take up in last week's issue. Mr. Han wants to know the difference between *de facto* and *de jure* recognition:

Recognition—de facto and de jure: both *de facto* and *de jure* are from Latin and have found their way into everyday English usage through the legal profession, which is full of Latinisms. *De facto* means actually, in fact, in reality, as distinguished from *de jure* which means by right, by a lawful title. "Recognition" in this instance means of course to acknowledge the independence of a body which has thrown off the sovereignty of a state to which it was subject, or which has instituted a new government, thus entitling it to be treated as an independent state by the recognizing power.

The difference between *de facto* and *de jure* recognition might be best exemplified by what is happening now between the People's Government and the western powers. The People's Government has, by virtue of the amount of territory under its jurisdiction, proclaimed itself the legal government of China, and as such has been recognized *de jure* by the USSR and other nations. The USA, Great Britain, etc., however, still grant *de jure* recognition to the remnant Nationalist group. When the latter are defeated or driven completely out of the territory of China, it is possible that the western powers would cease to recognize it as the government of China; but they might continue to withhold *de jure* recognition from the People's Government. The USA did not grant *de jure* recognition to the USSR until the thirties, ostensibly owing to the latter's refusal to admit its liability for the Kerensky loan of 1917.

De jure recognition makes possible the securing of foreign loans, nationals of the recognized nation to engage in foreign trade, the upholding of contracts in foreign courts, etc. Thus it may be said that while *de facto* recognition grants the existence of the new state, neither the state nor its nationals enjoy the international privileges and rights accorded under *de jure* recognition.

And now to continue with Mr. Shih's questions:

Suffice it to say: It is enough to say. This expression is used to introduce a particular instance after a general statement, as "That China suffered from KMT rule is well known; suffice it is say that it was universally hated by the people." Suffice *it* to say" is preferred to "suffice to say."

Last ditch stand: Refers to the final opposition to an opponent, as in a battle or war; "ditch" probably refers to a trench. Thus, the KMT may now be said to be making its last ditch stand against the PLA.

Nicely: The adjective "nice" comes, curiously enough, from two Latin words which meant "not to know," and in English its first meaning was foolish, silly. But it has dropped this meaning, and during its career has taken on many others. It can mean fastidious, refined, discriminating, delicate, subtle, delicately discriminative, minutely accurate, scrupulous, modest, well-mannered, and (last and by far the most) pleasing, agreeable. In ordinary usage, "nice" is far overworked in the latter sense. "Nicely," the adverbial form, was used in the sentence Mr. Shih inquired about, the Younghusband Expedition (to Tibet) which . . . coincided nicely with the Russo-Japanese War . . . (to give) British a paramount position in Tibet. . . ." The meaning here is probably a combination of "precisely and accurately" with "agreeably." The British, in other words, sent the expedition to Tibet just at the moment when Russia was occupied elsewhere: both timing and results, from the British point of view, were excellent.

Open up: It is better not to use "up," although it is often heard. "Open the door," for example. Although here, a peremptory summons from a person opposed by a locked door might be, "Open up!" In the example as given, ". . . if an area such as Tibet . . . can be opened up for trade and investment," it would be better to omit the "up."

Much in the way of: As given, "we doubt if there has as yet been much in the way of concrete steps or plans. . . ." That is, we doubt if there has as yet been any considerable quantity like, resembling, or similar to, concrete planning. "In the way of" can mean "like," or, as in "He put me in the way of a good opportunity," it means "he helped me to get, or secure." "In the way" means blocking the road: "He is in the way."

A far cry from: A great distance from, at a great remove from, used in connection with ideas, beliefs, customs, etc, not physical distance, as in "China's present revolution is a far cry from the dynastic unheavals of the past." China's present revolution differs very much from. . . .

Cannot help but: As in, "We cannot help but wonder why recognition is delayed." Equally correct is, "We cannot help wondering why recognition is delayed." Notice that if "but" is omitted, the participal form of the verb follows.

Sit with: In the ordinary usage, to sit with is to place oneself on a bench or chair alongside of someone else, or near someone else. In the colloquail sense, it means to suit, to be agreeable to, as in "We wonder how the policy will sit with certain groups."

Weaken the hand of: This expression means to weaken one's bargaining position, and is taken by analogy from card games, where one holds a strong or weak hand, and may strengthen or weaken it by discarding or drawing the wrong cards, or it may be weakened by one's opponent drawing a stronger hand. Thus, if I am negotiating a deal, and someone comes along with a better offer, my hand is weakened.

上海中正東路一六〇號密勒氏評論報發行
上海香港路一一七號美豐登有限公司承印